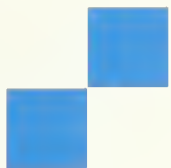




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APF SUCCESSES IN ONTARIO



Growing Forward from the Agricultural Policy Framework

Working directly with agricultural producers and processors, the Agricultural Policy Framework (APF) in Ontario over the past five years has successfully supported many innovative programs in five separate areas:

- Business Risk Management
- Environment
- Food Safety and Food Quality
- Renewal
- Science and Innovation

The APF, a partnership among the federal, provincial and territorial governments and industry, was designed to create an environment for a successful and thriving agri-food sector. Canada and Ontario invested more than \$1.7 billion in Ontario's agri-food sector under the APF. The majority of the funds, \$1.5 billion, were directed towards Business Risk Management (BRM) programs. To further the sector's progress under the other pillars, Canada committed \$141 million and Ontario committed \$94 million. In addition, the agri-food industry contributed a similar amount in dollars and in-kind support through their participation in APF cost-share programs.

There is no question the Canada-Ontario APF has had a positive impact on the sector. From 2003-2008, the joint federal-provincial APF programs resulted in:

- The completion of 13,700 environmental cost-share projects,
- The participation of more than 4,700

participants in farm business management programs,

- Assistance for hundreds of innovative agri-food and bio-based businesses,
- The adoption of food safety systems at 665 food processing facilities, and
- The provision of a strong platform for managing risk for all producers.

Federal, provincial and territorial governments are currently working together with the agricultural community to develop new programs under the signed Growing Forward Framework. A new suite of demand-driven BRM programs has rolled out and comprises the first programs under Growing Forward. Through Growing Forward, \$1.3 billion for non-BRM programs will be delivered to the sector over five years across Canada.

More than just a new agricultural policy framework, Growing Forward is a vision for a profitable and innovative industry that seizes opportunities in responding to market demands and contributes to the health and well-being of Canadians. To facilitate a smooth transition to Growing Forward in 2009, programs currently in place under the APF are continuing for up to one year.

To find out more about Growing Forward, visit Agriculture and Agri-Food Canada at agr.gc.ca/growing-forward or the Ontario Ministry of Agriculture, Food and Rural Affairs at omafra.gov.on.ca/english/policy/apf/index.html

In this issue...

- Growing Forward from the APF
- Science & Innovation on the rise
- Overseeing food safety & quality
- BRM – a new suite of programs
- Renewal of farm business skills
- Environmental success stories

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« Les succès du CSA dans la région de l'Ontario ».

Science & Innovation on the Rise ■ Science and innovation projects add

Science and innovation are the cornerstones of efforts to make the Canadian agriculture and agri-food sector the world leader in food safety, innovation and environmentally responsible production. Advances in agri-food science and technology are accelerating the development of a wide range of new industrial, health and nutritional products obtained from plants, animals and micro-organisms. Ontario is a rich climate for research and innovation in the agri-food sector. Through the Agricultural Policy Framework (APF), five Science and Innovation (S & I) projects were funded in Ontario as well as the Canada-Ontario Research and Development (CORD) program.

The five S&I projects in Ontario included:

Soy 20/20, designed to move the soybean sector towards a comprehensive supply chain and allow the soybean sector to take advantage of opportunities in the life sciences.

BioEnterprise, a commercialization agent which aims to accelerate development and commercial success of emerging knowledge-based companies in the agri-food/bio-product sectors.

The Agricultural Research Institute of Ontario administered the Alternative Renewable Fuels Research and Development Fund, the Life Science and Agri-Food Innovation Fund, and the completed a review of the Ontario Agri-Technology innovation and commercialization sector that included strategic recommendations to encourage innovation and commercialization in agriculture, food and bioeconomy in Ontario.

MaRS Landing, which has a mandate of "linking agriculture, food and health" by connecting people to advance research and innovation in agri-food and health. This is done by creating networks and facilitating collaboration, supporting early stage commercialization and by promoting research and innovation.

Ontario Agri-Food Technologies (OAFT), works with farm organizations and commodity groups to produce communication material outlining the benefits and safeguards of bio-products, and to produce a series of seminars such as the annual Agri-Food Innovation Forum that will build awareness.

CORD was a funding program administered by the Agricultural Adaptation Council (AAC) with funds flowing from Agriculture and Agri-Food Canada and the Ontario Ministry of Agriculture, Food and Rural Affairs as part of the Agricultural Policy Framework. CORD's purpose was to improve the long-term competitive position, and increase the diversity of the Ontario agriculture and food sector.

Evo Foods, a division of Ontario-based "Meatless Co." has been active for the past two years in the areas of business planning and product identification.

"Soy 20/20 has the right mindset; we bounce ideas off each other and develop innovative products with the proactive assistance of the BioEnterprise Operations, evo Foods.

Soy 20/20 helped evo Foods locate a source of high quality soybeans and introduced them to experts in the food flavouring industry. BioEnterprise provided analysis/assistance with their business and marketing plans and associates to the company to help manage their business. BioEnterprise continues to analyze new product opportunities for evo Foods.

"Soy 20/20 has been successful in providing strategic advice and now markets a range of beautifully packaged, super healthy products that are rapidly gaining popularity with retailers and consumers." says Executive Director of Soy 20/20.

In 2007 alone, Soy20/20 worked with 16 companies and 10 researchers. During the term of APF, Soy 20/20 has worked with 16 companies.

BioEnterprise's support and assistance made an impact. *Vinifera For Life* is the brainchild of Mark Walpole, who, due to his proximity to the Niagara wine region led to the development of a wine grape waste material.

Vinifera For Life takes grape seeds and skins – which are normally discarded – and turns them into a premium powdered ingredient. Wine grapes have been shown to have health-promoting components that are known to fight off a multitude of diseases.

Initially, *Vinifera For Life* engaged BioEnterprise to work with them to bring in a patent lawyer to define the process for marketing. Eventually, the BioEnterprise team talked to bakers and a marketing strategy was developed. By mid-2007, BioEnterprise had secured financiers and venture capital, showing them that *Vinifera For Life*. The company is still a work-in-progress and BioEnterprise is still working with them.

"Ever since we met with Dave Smardon of BioEnterprise, every call and question has been answered for us. They are really committed!" says Mark Walpole, *Vinifera For Life*.

"The vast majority of start-up companies require both business and capital. BioEnterprise delivers both of these critical components."

Overseeing Food Safety & Quality ■ Food safety and quality programs a boon to industry.

CFSQP as a key part of the APF has three components:

- Systems Development
- On-Farm Implementation
- The Food Safety Initiative



The first two components are delivered nationally. The Food Safety Initiative (FSI) component, which is delivered by the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA), has three funding components: implementation, outreach, and research and development.

The implementation component provided funding to Ontario food processors to develop, implement and maintain food safety systems in their

facilities. Processors were eligible to receive up to \$15,000 for the implementation of Good Manufacturing Practices (GMPs) and up to \$29,000 for the implementation of a Hazard Analysis Critical Control Point (HACCP) system.

Through the FSI program, 665 food processing facilities in Ontario developed and/or implemented GMP or HACCP programs. These facilities represent everything from small deboning operations to large confectionary companies.

The outreach component provided funding for pilot projects for the implementation of GMP Advantage, HACCP Advantage or HACCP Advantage Plus (includes biosecurity and traceability). The FSI engaged a consultant to work with eligible plants on the development and implementation of their food safety systems. Plants were reimbursed for all costs incurred as part of the certification process.

Twenty different food safety facilities participated in the pilots, which involved working with the consultant to develop and implement their food safety programs. As part of the pilots, scientific studies were

The Canadian Food Safety and Inspection Agency (CFIA) oversees food safety, quality control and traceability programs to support the agricultural sector.

ie to the agri-food industry in Ontario.

' has been working with **Soy 20/20** man resources and new opportunity

hem and we are definitely developing /20," says Suzanne Merrell, President of

soy protein for their products, to perfect their flavour profiles, ing plans and introduced senior business development activities. Soy 20/20 ods on an on-going basis.

tance to evo Foods, The company g soy-based 'comfort foods' which across Canada," says Jeff Schmalz,

ding nine new firms and three new on more than 35 projects with

e concept "*Vinifera For Life*" a reality. tural instincts as a chef combined with oment of a healthful product based on

posed of or used as fertilizer by wineries – ourmet bread, pasta and other products. ffects and Walpole's product contains esses, including cancer.

business plan, recruit financing and rape powder and protect it intellectually. fs to use the powder and a distribution aised over \$400,000 through angel egic pieces were in place for *Vinifera For* rise continues to support *Vinifera For Life*.

nd were then introduced to the team, ve surpassed what they originally

experienced management AND investment onents in an integrated model, thereby

improving the odds for successful commercialization. *Vinifera For Life* came to us 24 months ago. They are now selling a patent-based innovative product to the food and ingredient industries," says Dave Smardon, President, BioEnterprise.

BioEnterprise has counselled over 130 companies in the past three years.

MaRS Landing's mandate to establish linkages between the agriculture and health sectors, and the connection between food and health, is important for an aging population. A partnership between the RBJ Schlegel-University of Waterloo Research Institute for Aging and the University of Guelph is working to ensure food and nutrition are at the forefront of disease prevention and long-term health planning. The goal of the Institute, which has access to 3,000 residents in retirement and long-term care villages across Ontario, is to make the golden years of life the healthiest and happiest possible.

"MaRS Landing is delighted to have fostered a collaboration with the Research Institute for Aging – University of Waterloo and the University of Guelph food science and nutrition departments to seize the expanding science and innovation opportunities in food and health for the aging population," said John Kelly, executive director.

Ontario Agri-Food Technologies (OAF) established the Agri-Food Innovation Forum, a venue where the latest agri-food technologies are showcased. The Forum was created in 2005 as a vehicle to bring industry, governments, academia and producers together to further agri-food innovation in Ontario.

At the 2008 Agri-Food Innovation Forum in Ridgetown, Ontario, Dean Tiessen, President of Pyramid Farms in Leamington, Ontario, and Frank Dohleman, University of Illinois, initiated a collaborative investigation of miscanthus (a fast growing, high mass, perennial grass) as a potential feedstock to produce biofuel. Pyramid Farms is a vegetable greenhouse facility that is looking to become energy self-sufficient. The farm chose miscanthus as the crop most likely to provide biomass for their greenhouse heating. Tiessen is also looking at ways to reduce the cost of establishing fields of miscanthus and hopes to market starter material for other farmers.

"The collaboration on the energy crop miscanthus with Frank Dohleman has been a significant help in my desire to become energy self-sufficient in my greenhouse. The Agri-Food Innovation Forum at Ridgetown brought us together," says Tiessen.

"The 2008 Agri-Food Innovation Forum, partnered with the Southwest Agricultural Conference held at Ridgetown, was attended by over 1,300 delegates. The message came out loud and clear that farmers are one of the most innovative sectors of society, both at discovery of new products and adapting technologies from around the world to meet their local growing conditions," noted Dr. Gord Surgeoner, President, Ontario Agri-Food Technologies, Guelph, Ontario.

Federal, provincial and territorial governments are currently working together with the agricultural community to develop new programs that will contribute to a competitive and innovative sector under the signed *Growing Forward Framework*.

/ Program (CFSQP) was designed to help the agri-food industry develop and set up government-recognized food systems throughout the food chain. In Ontario, almost \$80 million was invested by the federal and provincial ment of food safety programs in the Ontario agri-food industry.

lone as well as business analysis. Information coming from these pilots is being incorporated into the development of food safety program resources to improve stakeholder uptake.

"We see HACCP as a valuable tool in helping us maintain and expand our export markets. We recognize that without the financial assistance available from the Food Safety Initiative that a company our size would not be able to proceed with implementing a HACCP system," said Jamie Slingerland of Pillitteri Estates Winery.

The research and development component provided funding for traceability pilot projects and incentive programs for small and medium sized, provincial and federal facilities throughout the agri-food chain in Ontario.

One hundred and twenty facilities, ranging from primary producers to processing plants, developed and implemented facility level traceability systems. As part of the program, all these facilities were required to be able to demonstrate that they met the *Can-Trace* standards and could conduct a mock recall.

Twenty facilities, which included wineries, meat processors and vegetable producers, participated in traceability pilots. With the assistance of consultants, they underwent a needs assessment and chose a suitable traceability system that would meet their business needs. Businesses implementing traceability systems have improved production efficiencies and inventory control.

In addition, funding for provincial surveillance initiatives was made available under this component.

Major projects under surveillance included cadmium level studies, an evaluation of environmental and drug residues in raw milk and a project that measured pathogen levels on fresh leafy greens. These results will be incorporated into best practices for food production.

Federal, provincial and territorial governments are currently working together with the agricultural community to develop new programs that will contribute to society's priorities under the signed *Growing Forward Framework*.

Renewal of Farm Business Skills ■ Renewal programs offer peace of mind, improve a farm's bottom line.

Farm business planning offers a wide range of opportunities for producers. For some, the focus is on improving current results by restructuring financing or by setting up a succession plan. Others may want to evaluate their opportunities for making better use of resources, or for expansion or diversification.

The key objective of producers who take advantage of these programs is "to be in charge of change," says Rick Kush, Program Officer for Agriculture and Agri-Food Canada. "With the help of outside consultants, they are determined to make the changes that make the greatest strategic sense for their businesses."

For the Graham family, which owns and operates Breezy Acres Farm, a commercial beef enterprise near Blackstock, Ontario, farm business planning proved to be a useful tool for planning for the future.

Harvey Graham and his wife Joan, with the help of Agriculture and Agri-Food Canada's Farm Business Assessment (FBA) Service, set about to determine the viability of their farm. Their son, Mark Graham, plans to take over the operation and the Grahams wanted to ensure the farm would continue to be profitable.

For a nominal fee of \$100, the FBA pays for up to five days of professional consulting to review a farm's business situation, and, if necessary, set up an action plan for achieving its business goals.

What the FBA did for the Grahams was confirm that their farm was a viable business and that it would continue to provide a good living down the road.

"That was very satisfying and reassuring for all of us," he said. "Farming is a big business and you have to be able to apply good business management techniques to it. And that's exactly what the FBA Service did for us."

Federal, provincial and territorial governments are currently working together with the agricultural community to develop new programs for a competitive and innovative sector under the signed *Growing Forward Framework*.

Under the Renewal pillar of the APF, the federal and provincial governments agreed to establish comprehensive support for Ontario's farm businesses. The programs were both flexible and innovative.

For example:

- The Canadian Agricultural Skills Service (CASS) program helped farm families acquire skills and training for the road ahead.
- The Canadian Farm Business Advisory Services (CFBAS) put producers together with farm business consultants to look at a range of options.
- The Agricultural Management Institute (AMI) initiative provided funding to help develop business management skills, resources, and continues to provide ideas, resources, links and business tools through its web site: takeanewapproach.ca
- The Planning and Assessment for Value Added Enterprises (PAVE) program helped producers and enterprises explore and penetrate value-added markets.
- The Specialized Business Planning Services (SBPS) program provided assistance for hiring a professional consultant to develop a comprehensive plan to tackle specific issues such as succession, expansion, diversification, or human resources.
- The Benchmarking for Success interactive financial tool helped measure the performance and potential profitability of the farm, and is accessible online at agr.gc.ca/compare.

By March 31, 2008 under the APF:

- 2,638 Ontario producers participated in the Farm Business Assessment program;
- 294 Ontario producers participated in SBPS;
- 21 Ontario producers participated in PAVE;
- 1,741 Ontario producers participated in the CASS program;
- 32 projects were funded by AMI.

"These programs are making it possible for many more producers to bring in independent consultants," says Alliston area potato grower Peter Vander Zaag. "This injection of expert advice has the potential to create more opportunities than any of us might have thought were within our reach."



Between April 2005 and March 31, 2008, under the Agricultural Policy Framework (APF) in Ontario:

- More than 12,000 Ontario producers had attended Environmental Farm Plan (EFP) Third Edition workshops and more than 8,600 EFPs were peer reviewed and deemed appropriate;
- More than 13,700 voluntary environmental cost-share projects were completed;
- \$60 million was invested by the federal government, \$21 million was invested by the Ontario Ministry of Agriculture, Food and Rural Affairs and Ontario farmers invested approximately \$100 million for voluntary environmental programs;
- Federal government dollars were matched more than 2:1 by other sources of funding including producers own cash and in-kind contributions toward projects and support from the provincial government and environmental organizations.

Once an EFP is deemed appropriate, eligible producers may receive financial and technical assistance under the Canada Ontario Farm Stewardship Program (COFSP), the Greencover Canada (GC) program and the Canada-Ontario Water Supply Expansion Program (COWSEP). These three cost-share programs associated with EFP (COFSP, GC and COWSEP) were supported through the APF by Agriculture and Agri-Food Canada and the Ontario Ministry of Agriculture, Food and Rural Affairs. Agricultural support for the programs is led by the *Ontario Farm Environmental Coalition* and local program delivery is carried out by the Ontario Soil and Crop Improvement Association. The APF was designed to help improve Ontario's on-farm environmental practices and position Canada as a world leader in environmentally responsible agricultural production.

Federal, provincial and territorial governments are currently working together with the agricultural community to develop new environmental programs that will contribute to society's priorities under the signed *Growing Forward Framework*.



Environmental Success Stories ■

Environmental improvements protect air, water, soil...

Across Ontario, producers are making changes to reduce the impact of agriculture on the environment through the EFP process.

"Ontario farmers have shown a tremendous willingness to participate in the environmental risk assessment of their farm businesses," says Geri Kamenz, President of the Ontario Federation of Agriculture. "They have then followed up with beneficial management practices to address identified concerns. This is a great testament to the environmental ethic of the farm community."

Through the EFP program, producers identify their farm's environmental strengths, prioritize any potential risks to the environment, and take advantage of tools and techniques available to manage those risks. Once an EFP is peer-reviewed and deemed appropriate, producers can apply for cost-share funding of 30 to 50 per cent of eligible costs from a list of 36 Beneficial Management Practices (BMPs). These BMPs range from shelterbelt establishment to water supply expansion planning.

In their EFP, Wridgeview Greenhouses near Harrow highlighted opportunity for improving nutrient recovery and irrigation. "We installed a raised trough system which is going to allow us to collect and someday reuse 30 per cent of our nutrient solution and that's good for us and good for the environment," said fifth-generation farmer Rodney Wright.

Larry and Judy Chanda, who own a 125-head cow-calf operation near Delhi, took advantage of EFP cost-share incentives to improve pesticide storage facilities, implement a rotational grazing system, and build a system to capture manure runoff.

"The EFP helped us prioritize and finance some of the improvements we wanted to make," said Chanda. "We looked at it as a tool to enhance our farm business."

Several cost-share enhancement programs are available to Ontario producers in specific regions. For example, eligible producers within the Oak Ridges Moraine, which runs from Northumberland County's Trent River to the Niagara Escarpment, can obtain top ups of up to 90 per cent combined cost-share funding in nine BMP categories.

Oak Ridges Moraine producers Colleen Moore and Bill Graham, who run a cow-calf operation on 110 acres near Harwood, secured financial assistance for three projects: a clean water diversion, a new well, and an improved water bowl design to ensure more efficient water use and improved insulation.

"A farmer's decision to invest time and money in these types of initiatives depends first on whether it will benefit livestock and ease the labour of farming," notes Colleen. "Advantages to the environment are a welcome, but secondary benefit."

There are economic benefits for producers practising environmental stewardship, according to recent studies and surveys relating to the adoption of BMPs. An economic evaluation of crop nutrient BMPs conducted by the George Morris Centre in Guelph found that soil testing and nutrient management planning are the most profitable BMPs, followed by minimum and no-till practices.

Many APF projects have resulted in findings that can be utilized and duplicated elsewhere. For example, a Greencover Canada-sponsored dispersion sandwich demonstration project (which used woodchips to protect shallow groundwater) in the Upper Thames River area found a 50 per cent overall reduction rate in the nitrate levels. A COWSEP-sponsored irrigation project in the Niagara region hopes to develop an irrigation delivery system for grape growers, tender fruit growers, greenhouse producers and nurseries.

For the E.D. Smith Cherry Farm, a pick-your-own operation in the Niagara peninsula, the EFP has been instrumental in fine tuning their approach to soil testing, mulch, plant analyses, soil moisture metering and wildlife control.

"Environmental stewardship is very important to us," says Norm Herbert, E.D. Smith's agricultural manager. "As farmers we have the responsibility of conserving and improving soil resources, protecting the quality and supply of water, using hazardous materials wisely and safely, and respecting the diversity of nature."



GROWING FORWARD

BRM - new suite of programs.

New business risk management (BRM) programs are the first to roll out under Growing Forward. The new suite replaces the Canadian Agricultural Income Stabilization (CAIS) program with new programs that are more responsive, predictable and bankable for farmers.

THE NEW SUITE INCLUDES:

AgriInvest, a savings account for producers, supported by governments, which provides coverage for small and large margin declines and allows for investments that help mitigate risks or improve market income. AgriInvest replaces the coverage for margin declines of less than 15 per cent, previously covered by the CAIS program. Each year, producers will make a deposit into an AgriInvest account, and receive a matching contribution from federal and provincial governments.

To assist producers in the transition to the new suite of business risk management programs, the Government of Canada is providing \$600 million to kickstart AgriInvest accounts.

AgriStability provides support when a producer experiences larger farm income losses. The program covers margin declines of more than 15 per cent in a producer's average income from previous years. AgriStability, together with AgriInvest, replaces the coverage previously provided under the CAIS program. AgriStability is based on program and reference margins.

Program margin is defined as allowable income minus allowable expenses in a given year, with adjustments for changes in receivables, payables and inventory. These adjustments are made based on information submitted on the AgriStability harmonized form. Reference margin is defined as a farmer's average program margin for three of the past five years (the lowest and highest margins are dropped from the calculation).

AgriInsurance is an existing program which includes insurance against production losses for specified perils (weather, pests, disease), and is being expanded to include more commodities such as livestock and additional horticultural crops. Under the program, producers pay premiums to protect their commodities. Producers get a payment when they experience a production loss during the year.

AgriRecovery is a disaster relief framework which provides a coordinated process for federal, provincial and territorial governments to respond rapidly when natural disasters strike, filling gaps not covered by other programs. In the past, governments have responded to these natural disasters on a case-by-case basis. This action created uncertainty for farmers while they waited for governments to determine if support was possible and at what level. At their November 17, 2007 meeting, federal, provincial and territorial Ministers of Agriculture agreed on the details of AgriRecovery, a disaster relief framework which ensures a rapid and coordinated response to help producers hit by smaller natural disasters resume business operations quickly.

Federal, Provincial and Territorial Ministers have also committed that their governments will work together when a large disaster strikes to ensure the needs of producers are met. Governments will determine how these larger disasters will be addressed on a case-by-case basis.

Programs under the BRM suite work best together, providing farmers with maximum coverage for different situations. While AgriInsurance protects against production losses and AgriStability covers margin declines; the two programs are closely linked so producers are encouraged to participate in both programs. In Ontario, AgriStability and AgriInsurance are delivered by Agricorp, an agency of the provincial government.

For information about Agricorp programs, phone 1-877-838-5144 or visit the website at www.agricorp.com

For more information about AgriInvest, call 1-866-367-8506 or visit www.agr.gc.ca/agriinvest.

